

POP SHOPPE CASE A

Kendra Hart wrote this case under the supervision of Professor Matthew Thomson solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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INTRODUCTION

Brian Alger was evaluating alternatives for his new venture. The Pop Shoppe had once been a well-established soda pop brand, but the company had gone bankrupt, and the brand had been missing from the market for more than 20 years. In 2003, Alger purchased the rights to the brand and was considering reintroducing it into the market; however, he had little experience in the beverage industry, and consumer habits had changed in the many years since the brand had died. Alger had a hunch that many Canadians were as fond of the Pop Shoppe brand as he was and would be excited to see it back on the market. However, as a small company with limited capital, trying to enter the soda pop market would be a tough battle. Alger had done his homework and now needed to make a decision regarding the Pop Shoppe's future. He considered whether the Pop Shoppe was worth bringing back to the market and, if so, how it should best be positioned to make it successful.

POP SHOPPE HISTORY

The Pop Shoppe was formed in London, Ontario, in 1969. The Pop Shoppe manufactured and sold Pop Shoppe soda pop out of its own dedicated stores. This arrangement allowed the company to establish and maintain a streamlined operation, resulting in a low-cost soda pop alternative. In a market dominated by large corporations, such as Coca-Cola and PepsiCo, the Pop Shoppe was unique. It offered nearly 30 flavors, and customers could build their own assortment of flavors within a 24-bottle case.

Common to the era, Pop Shoppe soda was sold in glass bottles. The company relied on a recycling program, whereby empty Pop Shoppe bottles were returned to the depot, washed and refilled with soda to be sold again. One of the company's iconic items was its red plastic pop cases (similar to a plastic milk crate), used by consumers to carry home their self-assembled assortment of 24 (see Exhibit 1). The Pop Shoppe demanded a Cdn\$3.00 deposit for each case a customer used (equivalent to approximately \$11 today). Consumers needed to return to the store with the empty bottles and crate to retrieve their deposit.